

Senate Study Bill 3225 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to state regulatory matters by exempting from
2 sales tax the furnishing of certain environmental testing
3 services, modifying the registration and regulation of
4 motorsports recreational vehicles, recreational vehicle
5 operators, and recreational vehicle cargo, and including
6 fees, penalties, and effective date provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

ENVIRONMENTAL TESTING SALES TAX EXEMPTION

Section 1. Section 423.2, subsection 6, paragraph a, Code 2014, is amended to read as follows:

a. The sales price of any of the following enumerated services is subject to the tax imposed by subsection 5: alteration and garment repair; armored car; vehicle repair; battery, tire, and allied; investment counseling; service charges of all financial institutions; barber and beauty; boat repair; vehicle wash and wax; campgrounds; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dating services; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; excavating and grading; farm implement repair of all kinds; flying service; furniture, rug, carpet, and upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; gun and camera repair; house and building moving; household appliance, television, and radio repair; janitorial and building maintenance or cleaning; jewelry and watch repair; lawn care, landscaping, and tree trimming and removal; limousine service, including driver; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pay television; pet grooming; pipe fitting and plumbing; wood preparation; executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; reflexology; security and detective services, excluding private security and detective services furnished by a peace officer with the knowledge and consent of the chief executive officer of the peace officer's law enforcement agency; sewage services for nonresidential commercial operations; sewing and stitching; shoe repair

1 and shoeshine; sign construction and installation; storage
2 of household goods, mini-storage, and warehousing of raw
3 agricultural products; swimming pool cleaning and maintenance;
4 tanning beds or salons; taxidermy services; telephone
5 answering service; test laboratories, including mobile testing
6 laboratories and field testing by testing laboratories,
7 and excluding tests on humans or animals and excluding
8 environmental testing services; termite, bug, roach, and
9 pest eradicators; tin and sheet metal repair; transportation
10 service consisting of the rental of recreational vehicles or
11 recreational boats, or the rental of motor vehicles subject
12 to registration which are registered for a gross weight of
13 thirteen tons or less for a period of sixty days or less, or
14 the rental of aircraft for a period of sixty days or less;
15 Turkish baths, massage, and reducing salons, excluding services
16 provided by massage therapists licensed under chapter 152C;
17 water conditioning and softening; weighing; welding; well
18 drilling; wrapping, packing, and packaging of merchandise other
19 than processed meat, fish, fowl, and vegetables; wrecking
20 service; wrecker and towing.

21 Sec. 2. Section 423.3, Code 2014, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 101. The sales price from the furnishing
24 of environmental testing services performed at a laboratory,
25 in the field, or by a mobile testing service. For purposes
26 of this subsection, "*environmental testing*" means the physical
27 or chemical analysis of soil, water, wastewater, air, or
28 solid waste performed in order to ascertain the presence of
29 environmental contamination or degradation.

30 Sec. 3. EFFECTIVE DATE. This division of this Act takes
31 effect July 1, 2015.

32 DIVISION II

33 MOTORSPORTS RECREATIONAL VEHICLES

34 Sec. 4. Section 321.1, subsection 8, Code 2014, is amended
35 by adding the following new paragraph:

1 NEW PARAGRAPH. *i.* A person operating a motorsports
2 recreational vehicle is not a chauffeur.

3 Sec. 5. Section 321.1, subsection 36C, Code 2014, is amended
4 by adding the following new paragraph:

5 NEW PARAGRAPH. *e.* "*Motorsports recreational vehicle*" means
6 a modified motor vehicle used for the purpose of participating
7 in motorsports competitions and consisting of a conversion unit
8 mounted on a truck tractor or motor truck chassis such that the
9 motor vehicle can be used as a conveyance on the highway and as
10 a temporary or recreational dwelling. The motor vehicle must
11 have at least four of the permanently installed systems listed
12 in paragraph "*d*", two of which shall be systems specified in
13 paragraph "*d*", subparagraph (1), (4), or (5).

14 Sec. 6. Section 321.109, subsection 1, paragraph a, Code
15 2014, is amended to read as follows:

16 *a.* The annual fee for all motor vehicles including vehicles
17 designated by manufacturers as station wagons, 1993 and
18 subsequent model year multipurpose vehicles, and 2010 and
19 subsequent model year motor trucks with an unladen weight of
20 ten thousand pounds or less, except motor trucks registered
21 under section 321.122, business-trade trucks, special trucks,
22 motor homes, motorsports recreational vehicles, ambulances,
23 hearses, motorcycles, motorized bicycles, and 1992 and older
24 model year multipurpose vehicles, shall be equal to one
25 percent of the value as fixed by the department plus forty
26 cents for each one hundred pounds or fraction thereof of
27 weight of vehicle, as fixed by the department. The weight
28 of a motor vehicle, fixed by the department for registration
29 purposes, shall include the weight of a battery, heater,
30 bumpers, spare tire, and wheel. Provided, however, that for
31 any new vehicle purchased in this state by a nonresident
32 for removal to the nonresident's state of residence the
33 purchaser may make application to the county treasurer in
34 the county of purchase for a transit plate for which a fee
35 of ten dollars shall be paid. And provided, however, that

1 for any used vehicle held by a registered dealer and not
2 currently registered in this state, or for any vehicle held
3 by an individual and currently registered in this state,
4 when purchased in this state by a nonresident for removal to
5 the nonresident's state of residence, the purchaser may make
6 application to the county treasurer in the county of purchase
7 for a transit plate for which a fee of three dollars shall
8 be paid. The county treasurer shall issue a nontransferable
9 certificate of registration for which no refund shall be
10 allowed; and the transit plates shall be void thirty days
11 after issuance. Such purchaser may apply for a certificate
12 of title by surrendering the manufacturer's or importer's
13 certificate or certificate of title, duly assigned as provided
14 in this chapter. In this event, the treasurer in the county
15 of purchase shall, when satisfied with the genuineness and
16 regularity of the application, and upon payment of a fee of
17 twenty dollars, issue a certificate of title in the name and
18 address of the nonresident purchaser delivering the title
19 to the owner. If there is a security interest noted on the
20 title, the county treasurer shall mail to the secured party an
21 acknowledgment of the notation of the security interest. The
22 county treasurer shall not release a security interest that
23 has been noted on a title issued to a nonresident purchaser
24 as provided in this paragraph. The application requirements
25 of section 321.20 apply to a title issued as provided in this
26 subsection, except that a natural person who applies for a
27 certificate of title shall provide either the person's social
28 security number, passport number, or driver's license number,
29 whether the license was issued by this state, another state, or
30 another country. The provisions of this subsection relating to
31 multipurpose vehicles are effective for all 1993 and subsequent
32 model years. The annual registration fee for multipurpose
33 vehicles that are 1992 model years and older shall be in
34 accordance with section 321.124.

35 Sec. 7. Section 321.124, Code 2014, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 4. *a.* The annual registration fee
3 for a motorsports recreational vehicle is four hundred
4 dollars. For purposes of determining that portion of the
5 annual registration fee which is based upon the value of the
6 motorsports recreational vehicle, sixty percent of the annual
7 fee is attributable to the value of the vehicle. The owner of
8 a motor vehicle registered under this subsection shall certify
9 at the time of registration or renewal of registration that
10 the motor vehicle is used for the purpose of participating in
11 motorsports competition.

12 *b.* If the department determines by audit or other means that
13 a person registered a vehicle as a motorsports recreational
14 vehicle that is not qualified for such registration, the person
15 shall be required to pay the difference between the regular
16 annual registration fees owed for the vehicle for each year the
17 vehicle was registered in violation of this section and the
18 fees actually paid.

19 *c.* If the department determines by audit or other
20 means that the person knowingly registered a vehicle as a
21 motorsports recreational vehicle that is not qualified for such
22 registration, the person shall be required to pay a penalty
23 for improper registration in the amount of seven hundred fifty
24 dollars for each registration year in which the vehicle was
25 registered in violation of this section, not to exceed two
26 thousand two hundred fifty dollars.

27 Sec. 8. Section 321.152, subsection 1, Code 2014, is amended
28 by adding the following new paragraph:

29 NEW PARAGRAPH. *g.* Twenty-five percent of each penalty
30 collected for improper motorsports recreational vehicle
31 registration under section 321.124, subsection 4.

32 Sec. 9. Section 321.284A, subsection 2, Code 2014, is
33 amended to read as follows:

34 2. This section does not apply to a passenger being
35 transported in a motor vehicle designed, maintained, or used

1 primarily for the transportation of persons for compensation,
2 or a passenger being transported in the living quarters of a
3 motor home, motorsports recreational vehicle, manufactured or
4 mobile home, travel trailer, or fifth-wheel travel trailer.

5 Sec. 10. Section 321.310, subsections 1 and 2, Code 2014,
6 are amended to read as follows:

7 1. A motor vehicle shall not tow a four-wheeled trailer with
8 a steering axle, or more than one trailer or semitrailer, or
9 both in combination. However, this section does not apply to
10 a motor home, motorsports recreational vehicle, multipurpose
11 vehicle, motor truck, truck tractor or road tractor nor to
12 a farm tractor towing a four-wheeled trailer, nor to a farm
13 tractor or motor vehicle towing implements of husbandry, nor to
14 a wagon box trailer used by a farmer in transporting produce,
15 farm products, or supplies hauled to and from market.

16 2. Any four-wheeled trailer towed by a truck tractor or road
17 tractor shall be registered under the semitrailer provisions
18 of section 321.123, ~~provided, however,~~ that the provisions
19 of this ~~section~~ subsection shall not ~~be applicable~~ apply to
20 motor vehicles drawing wagon box trailers used by a farmer
21 in transporting produce, farm products, or supplies hauled
22 to and from market, or to a four-wheeled trailer towed by a
23 motorsports recreational vehicle.

24 Sec. 11. Section 321.446, subsection 3, paragraph b, Code
25 2014, is amended to read as follows:

26 b. The transportation of children in 1965 model year or
27 older vehicles, authorized emergency vehicles, buses, or motor
28 homes, or motorsports recreational vehicles except when a child
29 is transported in a motor home's or motorsports recreational
30 vehicle's passenger seat situated directly to the driver's
31 right.

32 Sec. 12. Section 321.450, Code 2014, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 6. Notwithstanding other provisions of
35 this section, rules adopted under this section applicable to

1 the transportation of any fuel used in race car engines shall
2 not apply to the transportation of such fuel if the fuel is
3 contained in the fuel cells of a race car being transported in
4 a trailer and the fuel cells are certified by SFI foundation,
5 inc.

6 Sec. 13. Section 321.454, Code 2014, is amended to read as
7 follows:

8 **321.454 Width of vehicles.**

9 The total outside width of a vehicle or the load on
10 the vehicle shall not exceed eight feet six inches. This
11 limitation on the total outside width of a vehicle or the load
12 on the vehicle does not include safety equipment on a vehicle
13 or incidental appurtenances or retracted awnings on motor
14 homes, motorsports recreational vehicles, travel trailers, or
15 fifth-wheel travel trailers if the incidental appurtenance or
16 retracted awning is less than six inches in width. However,
17 if hay, straw, or stover is moved on an implement of husbandry
18 and the total width of load of the implement of husbandry
19 exceeds eight feet six inches, the implement of husbandry is
20 not subject to the permit requirements of chapter 321E. If
21 hay, straw, or stover is moved on any other vehicle subject to
22 registration, the moves are subject to the permit requirements
23 for transporting loads exceeding eight feet six inches in width
24 as required under chapter 321E.

25 Sec. 14. Section 321.457, subsection 2, paragraph j, Code
26 2014, is amended to read as follows:

27 *j.* A motor home or motorsports recreational vehicle shall
28 not have an overall length, excluding front and rear bumpers
29 and safety equipment, in excess of forty-five feet.

30 Sec. 15. Section 321.457, subsection 2, Code 2014, is
31 amended by adding the following new paragraph:

32 NEW PARAGRAPH. o. Notwithstanding any other provision of
33 this chapter, and to the extent allowed under federal law, a
34 combination of two vehicles coupled together, one of which is
35 a motorsports recreational vehicle, shall not have an overall

1 length in excess of eighty-five feet.

2 Sec. 16. Section 322.2, subsection 11, Code 2014, is amended
3 to read as follows:

4 11. "*Manufacturer*" means any person engaged in the business
5 of fabricating or assembling motor vehicles. "*Manufacturer*"
6 does not include a person who converts, modifies, or alters a
7 completed motor vehicle manufactured by another person or a
8 person who assembles a glider kit vehicle as defined in section
9 321.1. "*Manufacturer*" includes a person who uses a completed
10 motor vehicle manufactured by another person to construct
11 a class "B" motor home as defined in section 321.124 or a
12 motorsports recreational vehicle as defined in section 321.1.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 This bill relates to state regulatory matters.

17 ENVIRONMENTAL TESTING SALES TAX EXEMPTION. Division I of
18 the bill provides a sales tax exemption for the furnishing of
19 environmental testing services performed at a laboratory, in
20 the field, or by a mobile testing service. "Environmental
21 testing" means the physical or chemical analysis of soil,
22 water, wastewater, air, or solid waste performed in order
23 to ascertain the presence of environmental contamination or
24 degradation.

25 By operation of Code section 423.6, an item exempt from the
26 imposition of the sales tax is also exempt from the use tax
27 imposed in Code section 423.5.

28 The division takes effect July 1, 2015.

29 MOTORSPORTS RECREATIONAL VEHICLES. Division II of the
30 bill establishes a new motorsports recreational vehicle
31 classification for purposes of motor vehicle regulation and
32 driver licensing. The bill defines "motorsports recreational
33 vehicle" as a modified motor vehicle used for the purpose
34 of participating in motorsports competitions, consisting of
35 a conversion unit mounted on a truck tractor or motor truck

1 chassis, and containing systems similar to the systems required
2 in a motor home, so that the motor vehicle can be used as a
3 conveyance on the highway and as a temporary or recreational
4 dwelling.

5 The annual registration fee for a motorsports recreational
6 vehicle is \$400. At the time of registration or registration
7 renewal, the owner must certify that the vehicle is used for
8 the purpose of participating in motorsports competitions. If
9 the department of transportation determines that a person
10 registered a vehicle as a motorsports recreational vehicle that
11 was not qualified for such registration, the person shall be
12 required to pay the difference between the regular registration
13 fee for the vehicle and the fee actually paid for each year
14 the vehicle was improperly registered. In addition, the
15 bill imposes a penalty of \$750 for each year the vehicle was
16 improperly registered, not to exceed \$2,250. From each penalty
17 collected by a county treasurer for improper registration of
18 a motorsports recreational vehicle, the county shall retain
19 25 percent of the penalty for deposit in the county's general
20 fund.

21 The bill specifies that a person operating a motorsports
22 recreational vehicle is not a chauffeur.

23 Current motor vehicle provisions applicable to motor homes
24 are amended to apply to motorsports recreational vehicles as
25 well. These provisions include an exception to open-container
26 restrictions for a passenger being transported in the living
27 quarters of a motorsports recreational vehicle; child restraint
28 requirements for a child seated directly to the driver's
29 right; the exclusion of incidental appurtenances or retracted
30 awnings from vehicle width limitations; and an exemption from
31 restrictions on towing a four-wheeled trailer with a steering
32 axle or more than one trailer or semitrailer. The bill states
33 that a four-wheeled trailer towed by a motorsports recreational
34 vehicle is not required to be registered as a semitrailer.

35 The bill limits the length of a motorsports recreational

1 vehicle, excluding front and rear bumpers and safety equipment,
2 to not more than 45 feet. To the extent allowed under federal
3 law, the maximum length for a combination of two vehicles
4 coupled together, one of which is a motorsports recreational
5 vehicle, is 85 feet.

6 Under current law, the department of transportation has
7 adopted rules, in compliance with federal regulations,
8 relating to the transportation of hazardous materials. The
9 bill provides that rules applicable to the transportation
10 of any fuel used in race car engines shall not apply to the
11 transportation of fuel contained in the fuel cells of a race
12 car being transported in a trailer if the fuel cells are
13 certified by SFI foundation, inc.

14 The bill amends the definition of "manufacturer" to include
15 a person who uses a completed motor vehicle manufactured by
16 another person to construct a motorsports recreational vehicle.
17 The definition is applicable to the licensing and regulation
18 of motor vehicle manufacturers, distributors, wholesalers, and
19 dealers.